

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317)232-9855

FISCAL IMPACT STATEMENT

LS 6019
BILL NUMBER: SB 197

DATE PREPARED: Oct 26, 1998
BILL AMENDED:

SUBJECT: Riverboat admissions tax distributions.

FISCAL ANALYST: Kristin Breen
PHONE NUMBER: 232-9567

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill specifies that the \$0.65 of the riverboat admissions tax that is paid to the Indiana Horse Racing Commission is to be distributed as follows: (1) \$0.23 to breed development funds established by the Indiana Horse Racing Commission; (2) \$0.26 to racetracks approved by the Indiana Horse Racing Commission for purses; (3) \$0.095 to racetracks approved by the Indiana Horse Racing Commission for purses, promotions, and routine operations of the racetracks; (4) \$0.065 to the Indiana Horse Racing Commission to promote horse racing and the development of the equine industry in Indiana.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: This bill specifies how the \$0.65 portion of the \$3 riverboat admission tax that is paid to the Horse Racing Commission (HRC) is to be distributed. Currently, distribution is determined by HRC rules. Table 1 shows the current and proposed distribution.

Table 1. Current and Proposed Distribution of Riverboat Admission Tax Paid to the Horse Racing Commission:

	Current	Proposed	Difference
Purses	\$0.26 (40%)	\$0.26 (40%)	-
Breed Dev Funds	\$0.13 (20%)	\$0.23 (35%)	\$0.10
Horse Track(s)	\$0.195 (30%)	\$0.095 (15%)	(\$0.10)
Promotions	\$0.065 (10%)	\$0.065 (10%)	-
Total	\$0.65 (100%)	\$0.65 (100%)	\$0.00

It is assumed that nine riverboats will be operational during FY 2000. Based on the estimate of average monthly admissions, total riverboat admission tax revenue in FY 2000 is estimated to be approximately \$106.5 million. The HRC's portion of that revenue is estimated to be approximately \$23.1 million.

This bill would change the amount of riverboat admission tax revenue distributed to the breed development funds and the horse track(s) in FY 2000 and beyond. Table 2 shows the current and proposed distribution of riverboat admission tax revenue paid to the HRC.

Table 2. Current and Proposed Distribution of Riverboat Admission Tax Revenue Paid to the Horse Racing Commission - FY 2000 (in millions):

	Current	Proposed	Difference
Purses	\$9.2	\$9.2	-
Breed Dev Funds	4.6	8.1	\$3.5
Horse Track(s)	6.9	3.5	(\$3.5)
Promotions	2.3	2.3	-
TOTAL	\$23.1	\$23.1	\$0.0

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Horse Racing Commission.

Local Agencies Affected:

Information Sources: Indiana Gaming Commission.